

## PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



April 19, 2013

GA2012-26

Jerry Schmitz  
Vice President, Engineering  
Southwest Gas Corporation  
P.O. Box 98510, LVA-581  
Las Vegas, NV 89193-8510

SUBJECT: General Order 112-E Audit of the Southwest Gas Corporation, Southern California Division's Public Awareness Program.

Dear Mr. Schmitz:

The staff of Safety and Enforcement Division (SED), formerly called the Consumer Protection and Safety Division, of the California Public Utilities Commission (Commission) conducted a General Order (G.O) 112-E audit of Southwest Gas Corporation's (SWG) Public Awareness Program (PAP) on July 16-19, 2012.

During the audit, SED staff used the Pipeline and Hazardous Materials Safety Administration Public Awareness Program Effectiveness Inspection Form (Form 21) as a reference guideline to conduct the audit. SED staff noted two probable violations, observed several issues and made some recommendations. Please review the attached document "SWG PAP Audit Observations and Findings Summary" (Summary), which contains the findings of SED staff audit as related to the protocols provided in Form 21.

Please provide a written response within 30 days of your receipt of this letter indicating measures taken by SWG to address the probable violations and the recommendations noted. SED will notify SWG of the enforcement actions it plans to take in regard to each of the violations found during the audit, pursuant to Commission Resolution ALJ-274, after it has an opportunity to review SWG's response to the findings included in the Summary.

If you have any questions, please call Matthewson Epuna at (213) 576-7014 or Michelle Wong at (213) 620-2780

Sincerely,

A handwritten signature in cursive script, appearing to read 'Michael Robertson'.

Michael Robertson, Program Manager  
Gas Safety and Reliability Branch  
Safety and Enforcement Division

cc: Michelle Wong, SED/GSRB  
Debra Gallo, SWG  
Jim Mathews, SWG

## **SWG PAP Audit Observations and Findings Summary**

### **July 16-19, 2012**

A. Audit Observations Identified in Protocol 1.01, Written Public Education Program, Reference Title 49, Code of Federal Regulations (CFR) §192.616 (h)

Protocol 1.01 states:

*“Does the operator have a written continuing public education program or public awareness program (PAP) in accordance with the general program recommendations in the American Petroleum Institute’s (API) Recommended Practice (RP) 1162 (incorporated by reference), by the required date, except for master meter or petroleum gas system operators?”*

SWG’s PAP Plan was prepared in accordance with general program recommendation in API 1162, 1st edition. SED recommends that SWG’s Public Awareness Program (PAP) Plan reference the API RP 1162 edition that is incorporated by reference in the federal regulations. SWG should list the assets that are covered in its PAP Plan specifically by districts and by the pipeline classification (distribution mains, Transmissions and etc.). In addition, SWG should include the One-Call information in its baseline messaging.

B. Audit Observations Identified in Protocol 1.02, Management Support, Reference Title 49 CFR §192.616 (a).

Protocol 1.02 states:

*“Does the operator’s program include a statement of management support (i.e., is there evidence of a commitment of participation, resources, and allocation of funding)?”*

SWG reviews and updates its PAP Plan annually. However, the signatures and titles of the program sponsor or cosponsor did not appear on the PAP Plan. SED recommends that SWG include in its PAP Plan a signatory line and title for the program sponsor or cosponsor.

C. Audit Observations Identified in Protocol 1.04, Stakeholder Audience Identification Reference Title 49 CFR §192.616 (d), ( e), and ( f)

Protocol 1.04 states:

*“Does the operator’s program establish methods to identify the individual stakeholders in the four affected stakeholder audience groups: (1) affected public, (2) emergency officials, (3) local public officials, and (4) excavators, as well as affected municipalities, school districts, businesses, and residents?”*

Title 49 CFR §192.616 (f) requires:

*“The program and the media used must be as comprehensive as necessary to reach all areas in which the operator transports gas.”*

SWG's PAP Plan outlines adequate methods to identify the stakeholders in the four affected stakeholder audience groups. However, SED recommends that SWG establish accuracy verification process that ensures its vendors identification accuracy of any stakeholder group and to validate the vendor's measurement of the percentage of stakeholders reached.

D. Audit Observations Identified in Protocol 1.05, Message Frequency, and Message Delivery Reference Title 49 CFR §192.616 (c)

Protocol 1.05 states:

*"Does the operator's program define the combination of messages, delivery methods, and delivery frequencies to comprehensively reach all affected stakeholder audiences in all areas in which the operator transports gas, hazardous liquid, or carbon dioxide?"*

Title 49 CFR §192.616 (c) requires:

*"The operator must follow the general program recommendations, including baseline and supplemental requirements of API RP 1162, unless the operator provides justification in its program or procedural manual as to why compliance with all or certain provisions of the recommended practice is not practicable and not necessary for safety."*

SWG's PAP Plan addressed combination of messages, delivery methods, and delivery frequencies to reach all affected stakeholder audiences in its California service territories. However, SED recommends that SWG include in its PAP messaging the following phrase "if you need additional information call or contact..." SWG should clearly outline how it will capture information about new constructions/homes that are constructed in between the mailing cycles.

E. Audit Findings Identified in Protocol 1.06, Written Evaluation Plan, Reference Title 49 CFR §192.616 (c) and (i)

Protocol 1.06 states:

*"Does the operator's program include a written evaluation process that specifies how the operator will periodically evaluate program implementation and effectiveness? If not, did the operator provide justification in its program or procedural manual?"*

Title 49 CFR §192.616 (c) requires:

*"The operator must follow the general recommendations, including baseline and supplemental requirements of API RP 1162, unless the operator provides justification in its program or procedural manual as to why compliance with all of certain provisions of the recommended practice is not practicable and not necessary for safety."*

SWG's written PAP Plan did not establish methodology and associated metrics for its annual audits and effectiveness evaluations. SWG's written PAP Plan simply stated that SWG will do the evaluation but failed to identify the methodology, statistical sample size and margin of error, percentage of individuals or entities reached within each stakeholder

group, and the process for its annual audits and effectiveness evaluations. In addition, SWG's written PAP Plan failed to specify that enhancements from the annual reviews and/or effectiveness evaluations will be implemented within a reasonable time. SWG did not provide an adequate justification explaining why it was not necessary to include these provisions in its written PAP. Therefore, SWG is in violation of G.O 112-E, Reference Title 49 CFR §192. 616 (c)

SED recommends that SWG include in its PAP Plan specifics on how enhancements from annual reviews or effectiveness evaluations will be implemented and associate that with a reasonable time table for implementing recommended changes.

F Audit Findings Identified in Protocol 4.01, Evaluating Program Effectiveness, Reference Title 49 CFR §192.616 (c)

Protocol 4.01 states:

*"Did the operator perform an effectiveness evaluation of its program (or no more than 4 years following the effective date of program implementation) to assess its program effectiveness in all areas along all systems covered by its program? If not, did the operator provide justification in its program or procedural manual?"*

Title 49 CFR §192.616 (c) requires:

*"The operator must follow the general recommendations, including baseline and supplemental requirements of API RP 1162, unless the operator provides justification in its program or procedural manual as to why compliance with all of certain provisions of the recommended practice is not practicable and not necessary for safety."*

SWG's written PAP Plan did not establish methodology and associated metrics for its annual audits and effectiveness evaluations. SWG's written PAP Plan simply stated that SWG will do the evaluation but failed to identify the methodology, statistical sample size and margin of error, percentage of individuals or entities reached within each stakeholder group, and the process for its annual audits and effectiveness evaluations. In addition, SWG's written PAP Plan failed to specify that enhancements from the annual reviews and/or effectiveness evaluations will be implemented within a reasonable time. SWG did not provide an adequate justification explaining why it was not necessary to include these provisions in its written PAP. Therefore, SWG is in violation of G.O 112-E, Reference Title 49 CFR 192, §192. 616 (c)

SED recommends that SWG include in its PAP Plan provisions about pre-testing effectiveness survey materials and message content for understandability and intended desired behavior. The PAP Plan should include trending of effectiveness surveys after the first effectiveness evaluation cycle, track and trend 3rd party incidents that include near misses, and consequences (failures that cause release of gas and others that do not result in failures such as scratches, dents and etc.) for transmission and distribution pipelines.